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September 16, 2005

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FDIC San Francisco Regional Officer
Attn: Director Johns F. Carter
25 Jessie Street at Ecker Sq, Suite 2300
San Francisco, CA 94105

RE: Wal-Mart Savings Bank

Dear Mr. Carter:

If you grant an ILC charter to Wal-Mart it most assuredly will destroy our local financial institution. With a branch in every Wal-Mart, and its vast resources, community financial institutions will most likely be driven out of business similar to grocery stores, pharmacies, and hardware stores.

Mixing banking and commerce is bad public policy that could jeopardize the impartial allocation of credit and create conflicts of interest. Congress reaffirmed its opposition to the mixing of banking and commerce in the Gramm-Leach-Bliley Act. If a huge retail conglomerate like Wal-Mart is allowed to take over the banking industry, surviving local businesses would be forced to go to their biggest competitor for deposit and loan services. Haven't they done enough damage de-stabilizing our local communities? Our local Wal-Mart Supercenter located just off the interstate has all but destroyed our downtown retailers. The downtown pharmacy, hardware, and discount variety stores are all out of business.

Our financial institution, and the one small town commercial bank (80% outside owned) left, are the only substantial businesses that remain downtown. We also have built a branch on a Wal-Mart shopping center out lot, since that is where most of our community shops for groceries and discount products. When I was growing up in our small town, there were four locally owned financial institutions located downtown. For the most part that meant that there were four competitors for the local banking relationships.

We now are the last of the locally owned financial institutions. We compete against six large financial institutions/insurance companies (bank charters) that have branches located in our community, a half dozen loan origination offices for nationwide mortgage companies, and all the internet based Ditech.com type

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offerings. Isn't that enough competition to ensure that the consumer gets competitive offerings without adding Wal-Mart?

Imagine a Wal-Mart Bank disfavoring small businesses that compete with them and favoring Wal-Mart suppliers in credit decisions or requiring suppliers to bank with the Wal-Mart Bank. Why would Wal-Mart operate a banking operation any differently than the ruthless way they have driven many of their suppliers into a cost plus relationship?

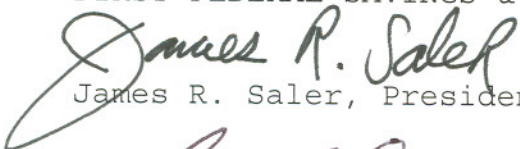
Our customers commonly comment to us that we must be a thorn in the side of the big banks in our local market. We have received and re-buffed several solicitations indicating that a super sized bank has identified us as an acquisition candidate. We are committed to continue serving our local businesses and individuals with modern, affordable banking services. First Federal has been serving the local market for over 120 years.

Please do not set in motion the destruction of the community banking industry as we know it. Wal-Mart has become enough of a company store already without allowing them control of the banking industry also. There was, and is, a real best interest purpose for the long standing U.S. Policy prohibiting the mixture of banking and commerce.


Just say "no" to the state of Utah ILC charter application that Wal-Mart has pending to preserve the banking industry.


Very truly yours,

FIRST FEDERAL SAVINGS & LOAN ASSN.


James R. Saler, President/ CEO

X 
Ross R. Davis, Director

X 
Carroll P. Hoening, Director

X 
James T. Spillman, Chairman

X 
Charles E. Gilliland, Director

X 
Stanley G. Reed, Director

JRS/js